UNITED STATES PATENT AND TRADEMARK OFFICE

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/786,596	02/26/2004	Daniel Y. Fung	028635-12	4371

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EXAMINER
WONG, ERIC TAK WAI

ART UNIT	PAPER NUMBER
3693	

NOTIFICATION DATE	DELIVERY MODE
06/10/2009	ELECTRONIC

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

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	Application No.	Applicant(s)
Office Action Summary	10/786,596	FUNG ET AL.
	Examiner	Art Unit
	ERIC T. WONG	3693

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --

Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE *3* MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.
- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

1)☒ Responsive to communication(s) filed on *02 March 2009*.
2a)☒ This action is **FINAL**.   2b)☐ This action is non-final.
3)☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

4)☒ Claim(s) *1,3-5,9-18,20-22 and 26-29* is/are pending in the application.
  4a) Of the above claim(s) _____ is/are withdrawn from consideration.
5)☐ Claim(s) _____ is/are allowed.
6)☒ Claim(s) *1,3-5,9-18,20-22 and 26-29* is/are rejected.
7)☐ Claim(s) _____ is/are objected to.
8)☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

9)☐ The specification is objected to by the Examiner.
10)☐ The drawing(s) filed on _____ is/are: a)☐ accepted or b)☐ objected to by the Examiner.
  Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
  Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
11)☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

12)☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
  a)☐ All   b)☐ Some * c)☐ None of:
    1.☐ Certified copies of the priority documents have been received.
    2.☐ Certified copies of the priority documents have been received in Application No. _____.
    3.☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).
  * See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)
1) ☒ Notice of References Cited (PTO-892)
2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
3) ☒ Information Disclosure Statement(s) (PTO/SB/08)
    Paper No(s)/Mail Date *3/24/2009*.
4) ☐ Interview Summary (PTO-413)
    Paper No(s)/Mail Date. _____ .
5) ☐ Notice of Informal Patent Application
6) ☐ Other: _____.

DETAILED ACTION

Claim Rejections - 35 USC § 103

1.   The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all

obviousness rejections set forth in this Office action:

> (a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in
> section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are
> such that the subject matter as a whole would have been obvious at the time the invention was made to a person
> having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negatived by the
> manner in which the invention was made.

Examiner's note: Examiner has pointed out particular references contained in the prior art of record in the body of
this action for the convenience of the Applicant. Although the specified citations are representative of the teachings
in the art and are applied to the specific limitations within the individual claim, other passages and figures may
apply. Applicant, in preparing the response, should consider fully the **entire** reference as potentially teaching all or
part of the claimed invention, as well as the content of the passage as taught by the prior art or disclosed by the
Examiner.

2.   Claims 1, 3-5, 16-17, 20, 22, 26-29 rejected under 35 U.S.C. 103(a) as being unpatentable

over Checchio (US Patent No. 6,052,675, cited in prior Office action) in view of D'Agostino

(US Patent No. 6,324,526, cited in prior Office action), further in view of Berke (US Patent No.

6,629,092, cited in prior Office action).

        Regarding claims 1 and 26-29, Checchio teaches authenticating the user at the server via

a device of the user while the user is at an online or offline site of the merchant; transmitting via

the user device activation information for activating a reusable, pre-existing, unaltered and

permanent credit or debit card account number of the user from the user device to the financial

institution for processing financial transactions, while the user is authenticated and based on a

selection of the merchant by the user on the server (see FIG. 1A step S9); submitting a payment

request including the reusable, pre-existing, unaltered and permanent credit or debit card account

number to the financial institution from the merchant, while the reusable, pre-existing, unaltered and permanent credit or debit card account number is activated (see FIG 1B, step S15); and de-activating the reusable, pre-existing, unaltered and permanent credit or debit card account number after the payment request is processed by the financial institution, wherein the financial institution only accepts and processes payment requests received from merchants while the reusable, pre-existing, unaltered and permanent credit or debit card account number is activated, and the financial institution declines payment requests while the reusable, pre-existing, unaltered and permanent credit or debit card account number is deactivated (see abstract).

Checchio does not explicitly teach wherein the payment request comprises a recurring payment request or a partial payment request and the method further comprises processing the partial payment request including generating subsequent activation and deactivation information by the server based on the selection of the merchant by the user for processing remaining payments or processing the recurring payment request including generating subsequent activation and deactivation information by the server based on the selection of the merchant by the user for processing recurring payments, and the subsequent activation information does not require the authenticating step. D'Agostino teaches a method for pre-authorizing repeating transactions which includes pre-authorizing transactions wherein payments may be automatically accessed by a merchant over a predetermined or unspecified time interval (such as every thirty days) for a specific amount of a maximum dollar amount limit (see column 3 lines 55-65, column 8 lines 29-46). Therefore, it would have been obvious to one skilled in the art at the time of invention to modify the method of pre-authorizing transactions of Checchio to include wherein the payment request comprises a recurring payment request or a partial payment request

and the method further comprises processing the partial payment request including generating subsequent activation and deactivation information by the server based on the selection of the merchant by the user for processing remaining payments or processing the recurring payment request including generating subsequent activation and deactivation information by the server based on the selection of the merchant by the user for processing recurring payments, and the subsequent activation information does not require the authenticating step. One skilled in the art would have been motivated to make the modification because it would have been convenient to the customer.

Checchio does not explicitly teach transmitting the activation information directly to a financial institution. D'Agostino teaches transmitting the activation information directly to a financial institution (see column 3 lines 15-23, column 5 lines 42-52). Therefore, it would have been obvious to one skilled in the art at the time of invention to modify the method of pre-authorizing transactions of Checchio to include transmitting the activation information directly to a financial institution. One skilled in the art would have been motivated to make the modification for increased security.

Checchio does not explicitly teach providing via a server an identification of both online and offline merchants for selection by a user. Berke teaches providing via a server an identification of both online and offline merchants for selection by a user (see column 2 lines 38-45). Therefore, it would have been obvious to one skilled in the art at the time of invention to modify the method of pre-authorizing transactions of Checchio further with providing via a server an identification of both online and offline merchants for selection by a user. One skilled

in the art would have been motivated to make the modification for increased convenience to the user.

Regarding claim 3, Checchio teaches authenticating the user with the user device (see abstract).

Regarding claim 4, Checchio teaches wherein the activation information is automatically transmitted to the financial institution when the user logs into the server (see column 4 lines 57-65).

Regarding claim 5, Checchio teaches wherein the result of the processing of the financial transaction is transmitted to the user via the server (see FIG 1B steps S19 and S17).

Regarding claim 16, Checchio teaches wherein the user authentication includes at least one of authentication of the user based on a user name and password of the user, authentication based on biometric information of the user, and authentication of the user based on personal identification number information of the user (see abstract).

Regarding claim 17, Checchio teaches wherein the de-activating of the permanent credit or debit card account number is performed at the financial institution after the processing of the payment request (see abstract).

Regarding claim 20, Checchio teaches transmitting the reusable, pre-existing, unaltered and permanent credit or debit card account number from the user device to a device of the merchant for processing the payment request (see FIG.1A step S1).

Regarding claim 22, Checchio teaches reading the permanent credit or debit card account number from a card via a card reader device of the merchant for processing the payment request (see column 5 line 60 - column 6 line 4).

3.   Claims 10 and 11 rejected under 35 U.S.C. 103(a) as being unpatentable over Checchio in view of D'Agostino, further in view of Berke, further in view of McAllister (US Patent No 5,513,250, cited in prior Office action).

Regarding claim 10, McAllister teaches using a unique user name and password in the authenticating step (see column 12 lines 40-47). Therefore, it would have been obvious to one skilled in the art at the time of invention to modify the method of pre-authorizing transactions of Cheechio to include using a unique user name and password in the authenticating step. One skilled in the art would have been motivated to make the modification for increased security.

Regarding claim 11, McAllister teaches de-activating the credit or debit card account number a predetermined amount of time after the user is authenticated (see column 3 lines 8-9). Therefore, it would have been obvious to one skilled in the art at the time of invention to modify the method of pre-authorizing transactions of Checchio to include de-activating the credit or

debit card account number a predetermined amount of time after the user is authenticated. One

skilled in the art would have been motivated to make the modification for increased security.

4.   Claims 9, 12-15, 18, 21 rejected under 35 U.S.C. 103(a) as being unpatentable over

Checchio in view of D'Agostino, further in view of Berke, further in view of Flitcroft (US PG-

Pub 2003/0028481 A1, cited in prior Office action).

        Regarding claim 9, Checchio does not explicitly teach wherein the activation information

is transmitted as one of a secure signal, an encrypted e-mail message, a secure facsimile

message, a secure wireless communications message, a secure telephone communications

message, a secure SMS message, and a secure web services message. Flitcroft teaches using

secure communication between the user and financial institution (see paragraph 125). Therefore,

it would have been obvious to one skilled in the art at the time of invention to modify the method

of pre-authorizing transactions of Checchio to include wherein the activation information is

transmitted as one of a secure signal, an encrypted e-mail message, a secure facsimile message, a

secure wireless communications message, a secure telephone communications message, a secure

SMS message, and a secure web services message.

        Regarding claim 12, Flitcroft teaches creating a unique credit or debit card with a limited

available balance based on the credit or debit card account number of the user; and allowing the

user to execute financial transactions subject to the available balance using the unique credit or

debit card in place of the permanent credit or debit card account number (see abstract).

Therefore, it would have been obvious to one skilled in the art to modify the method of pre-authorizing transactions of Checchio to include creating a unique credit or debit card with a limited available balance based on the credit or debit card account number of the user; and allowing the user to execute financial transactions subject to the available balance using the unique credit or debit card in place of the permanent credit or debit card account number. One skilled in the art would have been motivated to make the modification for increased security.

Regarding claim 13, Checchio teaches authenticating at the server; and transmitting from the server the activation information to the financial institution for processing of the payment request, wherein the financial institution processes online and offline payment requests received from merchants while the unique credit or debit card is activated and declines payment requests while the unique credit or debit card is de-activated (see abstract).

Regarding claim 14, D'Agostino teaches wherein the payment requests comprises partial payment requests and the method further comprises processing the partial payment requests including generating subsequent activation information for processing remaining payments (see column 3 lines 55-65, column 8 lines 29-46). As discussed in the rejection of claim 1, it would have been obvious to one skilled in the art to modify Checchio to accommodate for partial payment requests because it is convenient to the customer.

Regarding claim 15, D'Agostino teaches wherein the payment requests comprises recurring payment requests and the method further comprises processing the recurring payment

requests including generating subsequent activation information for processing the recurring

payments (see column 3 lines 55-65, column 8 lines 29-46). As discussed in the rejection of

claim 1, it would have been obvious to one skilled in the art to modify Checchio to accommodate

for recurring payment requests because it is convenient to the customer.

Regarding claim 18, Checchio does not explicitly teach wherein the financial institution

includes web services for processing the activation information and the user device is enabled to

access the web services of the financial institution for transmitting the activation information.

Flitcroft teaches wherein the financial institution includes web services for processing the

activation information and the user device is enabled to access the web services of the financial

institution for transmitting the activation information (see paragraph 127). Therefore, it would

have been obvious to one skilled in the art at the time of invention to modify the method of pre-

authorizing transactions of Checchio further with wherein the financial institution includes web

services for processing the activation information and the user device is enabled to access the

web services of the financial institution for transmitting the activation information. One skilled

in the art would have been motivated to make the modification for added convenience to the

customer.

Regarding claim 21, Flitcroft teaches storing credit or debit card account numbers on a

user device via a secure mechanism (see paragraphs 131-134). Therefore, it would have been

obvious to one skilled in the art at the time of invention to modify the method of pre-authorizing

transactions of Checchio further with storing the credit or debit card account number on a user

device via a secure mechanism. One skilled in the art would have been motivated to make the

modification for added convenience to the customer.

Response to Arguments

5.   Applicant's arguments filed 3/2/2009 have been fully considered but they are not

persuasive.

6.   Applicant argues that based on the disclosure of Chechio, one of ordinary skill in the art

would not be led to "providing via a server an identification of both online and offline merchants

for selection by a user" in view of Chechio's requirement of pre-authorization of all vendors by

the user.

The argument is not persuasive in view of the recent decision by the Supreme Court in

KSR International Co. v. Teleflex Inc. (KSR). KSR sets forth that in determining obviousness,

the teaching, suggestion, or motivation to combine does not have to be explicitly found in the

reference(s). When considering obviousness of a combination of known elements, the operative

question is thus "whether the improvement is more than the predictable use of prior art elements

according to their established functions." (SEE MPEP 2141). In Chechio's method for pre-

authorizing transactions, the merchant must be identified. Therefore, it would only be

convenient to provide an identification of both online and offline merchants for the user to select

from.

7.   Applicant argues that even if Chechio were modified by the disclosure of D'Agostino, the

resulting system would include preauthorization for a specific vendor, dollar amount and

multiple transactions using a single unique transaction code, as compared to the pending claims

which require "wherein the payment request comprises a recurring payment request or a partial

payment request and the method further comprises processing the partial payment request

including generating subsequent activation and deactivation information by the server based on

the selection of the merchant by the user for processing remaining payments or processing the

recurring payment request including generating subsequent activation and deactivation

information by the server based on the selection of the merchant by the user for processing

recurring payments."

        The argument is not persuasive for the following reason(s).

        In response to applicant's arguments against the references individually, one cannot show

nonobviousness by attacking references individually where the rejections are based on

combinations of references. See *In re Keller*, 642 F.2d 413, 208 USPQ 871 (CCPA 1981); *In re*

Merck & Co., 800 F.2d 1091, 231 USPQ 375 (Fed. Cir. 1986).

        Examiner acknowledges that D'Agostino teaches using a transaction code to supply to

the merchant after pre-authorization. However, this feature of D'Agostino is not incorporated

into the combination set forth in the rejection under 35 U.S.C. 103 above. The reference is

merely relied upon for teaching that in pre-authorizing transactions, one may provide

information for pre-authorizing transactions wherein payments may be automatically accessed by

a merchant over a predetermined or unspecified time interval (such as every thirty days) for a

specific amount or a maximum dollar amount limit (see column 3 lines 55-65, column 8 lines 29-46).

8.   Applicant argues that D'Agostino, Berke, and Filtcroft, are not concerned with protecting a conventional credit card, for example, if it is lost or stolen.

The argument is not persuasive for the following reason(s).

In response to applicant's argument that the secondary references are nonanalogous art, it has been held that a prior art reference must either be in the field of applicant's endeavor or, if not, then be reasonably pertinent to the particular problem with which the applicant was concerned, in order to be relied upon as a basis for rejection of the claimed invention. See *In re Oetiker*, 977 F.2d 1443, 24 USPQ2d 1443 (Fed. Cir. 1992). In this case, both D'Agostino and Filtcroft are in the field of applicant's endeavor because they are both drawn to securing credit card transactions. D'Agostino, more specifically, is drawn to pre-authorizing credit card transactions. Berke is reasonably pertinent to the particular problem with which the applicant was concerned because it is drawn to selecting a merchant.

Conclusion

9.   The prior art made of record and not relied upon is considered pertinent to applicant's

disclosure. GEPHART (US PG-PUB 2001/0047330).

10.   **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time

policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE

MONTHS from the mailing date of this action. In the event a first reply is filed within TWO

MONTHS of the mailing date of this final action and the advisory action is not mailed until after

the end of the THREE-MONTH shortened statutory period, then the shortened statutory period

will expire on the date the advisory action is mailed, and any extension fee pursuant to 37

CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event,

however, will the statutory period for reply expire later than SIX MONTHS from the mailing

date of this final action.

Any inquiry concerning this communication or earlier communications from the

examiner should be directed to ERIC T. WONG whose telephone number is 571-270-3405. The

examiner can normally be reached on Monday-Friday 9:00AM-5:00PM.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's

supervisor, James A. Kramer can be reached on 571-272-6783. The fax phone number for the

organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent

Application Information Retrieval (PAIR) system. Status information for published applications

may be obtained from either Private PAIR or Public PAIR. Status information for unpublished

applications is available through Private PAIR only. For more information about the PAIR

system, see http://pair-direct.uspto.gov. Should you have questions on access to the Private PAIR

system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would

like assistance from a USPTO Customer Service Representative or access to the automated

information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/James A. Kramer/   ERIC T. WONG
Supervisory Patent Examiner, Art Unit 3693   Examiner
                                                                   Art Unit 3693

May 27, 2009